



NATIONAL COMMITTEE ON VITAL AND HEALTH STATISTICS

November 29, 2006

The Honorable Michael O. Leavitt
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue SW
Washington, DC 20201

Dear Secretary Leavitt:

The National Committee on Vital and Health Statistics (NCVHS) is responsible for monitoring the implementation of standard transactions, code sets, and identifiers adopted pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA). The Committee has been tracking the implementation of the National Provider Identifier (NPI), and wishes to convey to you our preliminary observations on the industry's progress toward meeting the compliance date, which is May 23, 2007 for most covered entities.

The Committee has heard testimony on several occasions regarding the readiness of providers, plans, clearinghouses, and the software vendors that support them, to use the NPI in HIPAA transactions. We have concluded that, while significant progress is being made toward compliance, some key activities may not be completed by the compliance date, which has the potential to disrupt or delay payments to providers.

Providers must obtain an NPI and use it on HIPAA transactions by the compliance date. To date, over 1.4 million NPIs have been issued, which the Centers for Medicare & Medicaid Services (CMS) estimates represents approximately 60 percent of the total provider universe. However, based on testimony, few of the providers who have obtained NPIs have communicated their NPIs to their health plans, few providers have communicated their NPIs to the facilities where they practice, and few are sending NPIs in HIPAA transactions.

Many health plans and clearinghouses report that they are now able to accept transactions with either legacy identifiers or NPIs. However, most are still developing crosswalk logic to enable them to associate a provider's NPI with the legacy identifier already assigned to them in the plans' processing systems. This is critical to assure accurate adjudication and payment, as well as to connect the provider with his or her historical data. The plans' ability to complete their crosswalks is dependent on their having the accurate and validated NPIs of their provider populations. Plans need a period of time to populate crosswalks with NPIs and to test the crosswalks prior to May 23, 2007 in order to accurately process claims and other HIPAA transactions after that date. Therefore, providers who wait until close to the compliance date to obtain and use NPIs, or whose software vendors wait until close to the compliance date to make changes to support using NPIs, run the risk of having their transactions rejected and payment being delayed because their plans and clearinghouses will not recognize their NPIs.

Plans specifically identified a critical need for access to data from CMS' National Plan/Provider Enumeration System (NPPES) database to populate and validate their crosswalks. Prior to making NPPES data available, HHS must publish a data dissemination notice in the Federal Register. The notice will communicate what data elements will be made public and the mechanisms by which the data will be made accessible. The fact that the

notice has not yet been published, and thus NPDES data is not available, is of vital concern with respect to plans' ability to complete their crosswalks by the compliance date. We recommend that HHS publish the data dissemination notice at the earliest possible date and make NPDES data widely available as soon as possible thereafter.

Industry implementation efforts over the next few months will significantly impact compliance status as of May 23, 2007. The NCVHS will hear additional testimony on this issue in January. We plan to obtain input from a variety of provider organizations and health plans, as well as clearinghouses and software vendors, and will provide more information to you at that time. In the meantime, we urge HHS to take the necessary actions to enable and encourage compliance and early testing by all covered entities.

Sincerely,

/s/

Simon Cohn, M.D., M.P.H.
Chairman, National Committee on Vital and Health Statistics

Cc: HHS Data Council Co-Chairs

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